Annex Project

Improving Service Delivery By Consolidating Locations

Report To The County Council

Final Report | July 2013
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About this Initiative

Executive Pat McCarthy directed departments to develop performance measures in line with common countywide goals. This has resulted in strategies and initiatives that are moving Pierce County forward.

Vision
Improving lives through innovative and passionate public service.

Mission
As stewards of public resources, the Pierce County Executive Branch manages and delivers customer-focused, essential government services to enhance livability in our County.

Financial Stewardship
Prioritize, align and manage financial resources to achieve the County’s vision in an efficient, effective and sustainable manner.

Initiative
Improve customer service and reduce costs by creating a “one-stop” service center.
The Problem

Pierce County is limited in its ability to improve the efficient delivery of general government services because its operations are spread among eight leased buildings around Tacoma. The Pierce County Annex faces millions of dollars in necessary renovations, including HVAC, electrical, lighting and more, which prompted these questions: Does it make sense to spend all of that money on the Annex since that does nothing to improve overall service delivery? Considering all of the money being spent on leases, does it make more sense to own one building that can house all of those services? How much would service delivery be improved by consolidating all of general government into one facility?

Project Charter

Beginning in 2009, Pierce County Facilities Management spent two years leading the analysis of service delivery in all facilities - owned and leased. Armed with that information, County Executive Pat McCarthy commissioned this study in June 2012 to investigate the feasibility of improving service delivery and saving money by consolidating most general-government offices into one facility.

The project charter established this goal: To determine if there is a “positive business case” for a new building. It defined “positive business case” as identifying the ability to repay annual debt obligations on bonds used to construct the facility and achieving economic and operational efficiencies through reduced staff, reduced space requirements, shared functions, etc.

The project started with the assumption that the Pierce County Annex would be the likely site for combined operations. As the analysis progressed, the team shifted its focus to the former Puget Sound Hospital facility, located on 13 county-owned acres just east of Interstate 5, and seen as a much better candidate. Finally the study included gathering and analyzing data on various employee tasks as well as a fiscal analysis of financing options.

Project Team

Executive’s Office:
Kevin Phelps, Deputy Executive
Danni Colo, Executive Secretary

Facilities Management:
Bret Carlstad, Director
Mike Poier, Construction Division Manager

Auditor’s Office:
Julie Anderson, Pierce County Auditor
Mary Schmidtke, Fiscal Services Manager

Assessor-Treasurer’s Office:
Mike Lonergan, Assessor-Treasurer

Budget & Finance:
Gary Robinson, Director

Planning & Land Services:
Dennis Hanberg, Director

Public Works & Utilities:
Toby Rickman, Deputy Director

Information Technology:
Linda Gerull, Director

County Council:
Paul Bocchi, Sr. Legislative Analyst

Emergency Management:
Jody Woodcock, Interim Director

Park & Recreation:
Kathy Kravit-Smith, Director

Community Connections:
Helen Howell, Director
Executive Summary

Executive McCarthy assembled a team of senior leaders from 12 departments and offices representing general government services to conduct this study. After a year of analysis, the study team submits this recommendation:

Using the 63-20 financing mechanism created by the federal government, Pierce County would provide more efficient and cost-effective services to the public by consolidating general-government offices into a new building on the former hospital site.

Here is a closer look at the key findings:

1. Creating efficiencies.
   - This centralized delivery of services would provide “one-stop shopping” for the public and enhance collaboration among programs and staff.
   - This centralized model would enable process improvements that save an estimated $2 million in personnel costs and provide ongoing opportunities for further improvements.
   - A consolidated footprint allows for building and space-use efficiencies, such as shared reception, meeting rooms, conference rooms, break rooms, etc.
   - There is ample space for parking for customers and staff at the hospital site, which is conveniently located near Interstate 5 and on a major transit route.

2. Predictable Costs.
   - A single facility provides more predictable monthly/annual costs for maintenance, operations and capital needs.
   - For the affected departments, Pierce County leases more square footage than it owns. Those leases cover 8 buildings spread around Tacoma, which limits the effectiveness of programs and inconveniences customers.
   - Payments on a 63-20 project are at a fixed rate, whereas rates on leased facilities increase annually.
   - Historically, lease rates increase 3% annually. For this study a 2.5% annual increase was used.
   - In a 63-20 project, money is required to be set aside in a fund as part of financing payments so major capital building systems are replaced as needed.
Affordable, low-risk financing.

The building would be financed under the “63-20” program, which is named after the IRS rule that enables governments to work with nonprofit corporations to issue tax-exempt bonds for facility needs.

- The 63-20 mechanism leverages private-sector expertise while transferring risk to the developer, who would be responsible for cost overruns and be subject to delay penalties.
- Under 63-20, capital construction costs are typically 25-30% lower than traditional design/bid/build delivery models.
- This method eliminates the need to issue General Obligation Bond debt, thus preserving the county’s usable debt capacity.
- The county would own the building at the end of the lease; or have the option of purchasing the building earlier at specified intervals in the event of favorable market interest rates.

Backfill or sell leftover space.

By opening up space in existing county-owned buildings, there are efficiencies for public safety, too. Law and justice agencies would move into the County-City Building and adjacent owned facilities, making the downtown campus a more cost-efficient “justice center.”

- Creating a centralized delivery format for those services would certainly result in efficiencies and economic savings. However, that analysis was not part of this project’s scope of work.
- Owned space that is no longer occupied could be surplused and sold, with proceeds potentially designated to help fund “backfill” costs, such as renovating the County-City Building for new tenants from the law and justice services.

Example projects in the region financed by the 63-20 mechanism:

- **Center for Urban Waters**
  *Tacoma, Washington*
  The three-story, 51,205 square foot building is certified LEED Platinum.

- **Redmond City Hall**
  *Redmond, Washington*
  Ownership of the 113,068 square foot building will revert to the city at no additional cost.

- **Chinook Building**
  *Seattle Washington*
  The 296,000 square foot building, completed in 2007, houses King County’s administrative offices.

For more information on these projects visit the National Development Council’s website [www.ndcppp.org/project](http://www.ndcppp.org/project)
If Pierce County decides to stay with the current facilities model rather than adjust to a centralized service delivery model, the following is assumed:

1. Eight tenant leases comprising **148,993 square feet** would be maintained and renegotiated at the end of their cycles. Leases are anticipated to increase at an industry average of 2.5% per year.

2. Tenants in existing county-owned facilities would remain in place, and normal phased improvements would be performed based on need and funding. Incremental improvements and consolidations have been analyzed and would add to the costs.

3. The exception to this is the Pierce County Annex, which houses five departments and requires immediate attention to needed upgrades.

Annex improvements alone
The current unfunded capital facilities plan (CFP) contains **$1.48 million** in improvements as follows:

<table>
<thead>
<tr>
<th>Security Upgrades</th>
<th>HVAC</th>
<th>Electrical</th>
<th>Lighting</th>
<th>Sitework</th>
<th>Parking lot lighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>$144,000</td>
<td>$308,000</td>
<td>$156,800</td>
<td>$209,300</td>
<td>$560,000</td>
<td>$105,000</td>
</tr>
</tbody>
</table>

4. Pierce County’s Phase I Master Plan also identified a $7.6 million need for the Annex should the county elect to utilize the facility for the long term. This would complete an overall remodel of the facility and bring the property into compliance with seismic and other safety codes.

5. These associated costs, which amount to $662,713 per year, were factored into the financial analysis models utilized in this report.
Study Methodology

The study team drafted a project charter including scope, guidelines and member responsibilities. The study team conducted bi-weekly meetings starting in June 2012, including subcommittee work on staffing, cash handling, and inter-department operations. The committee reviewed previous Facilities Master Planning work and the history of earlier efforts to bring some programs together into one location. The team also learned about the functions and program elements of the departments under study and examined alternate models for service delivery including building and office design elements.

Subcommittees delved into processes, use of space, and staffing for similar services across Pierce County. This work led the team to expand its analysis to include additional programs and alternate sites beyond the Annex property. The sub-committees developed a list of needed information, scheduled work sessions for gathering that information, and met with relevant departments.

Department directors were asked to share ideas on economies they could envision in 10 specific function areas for a single building that would house: Executive, Council, Planning & Land Services, Auditor, Assessor/Treasurer, Facilities, Human Resources, Budget & Finance, Information Technology, Divisions of Public Works & Utilities, Government Relations, Economic Development, Communications, Community Connections, and possibly the Tacoma-Pierce County Health Department.

The team analyzed the following tasks in depth:

- Records Management/Public Records Response
- Reception
- HR/Payroll Processing
- Accounting
- Contracts/Purchasing
- Contract Compliance
- Fiscal/Budgeting
- IT/GIS
- Cash Handling
- Travel to/from other departments for business meetings (lost time and cost of vehicle reimbursement/charge of the departments identified)

The inter-department sub-committees met with department directors, including Tacoma-Pierce County Health Department representatives, and received written information from additional departments.

These were collaborative discussions. Participants engaged in the stretch and rebound of discussion items relating to shared work in key function areas, including how Pierce County could deliver services into the future. Some limitations (RCW, WAC and County Code) constrain predetermined function areas and service delivery. Brainstorming evoked a number of potential areas that warrant further study.
Findings

Space Analysis

The 21 departments affected by the moves associated with the construction of a new office building would have no leased space. A majority of space currently occupied by the affected departments is leased. Overall, the County would occupy less space with a new office building.
Current Leases being eliminated

Lease Location / Tenant as of 4/13

<table>
<thead>
<tr>
<th>Lease Location / Tenant</th>
<th>sf.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tacoma Mall Plaza - Public Works and Utilities</td>
<td>28,489</td>
</tr>
<tr>
<td>1305 Tacoma Building - Community Connections</td>
<td>27,653</td>
</tr>
<tr>
<td>Merit Building - B&amp;F, IT, HR</td>
<td>25,760</td>
</tr>
<tr>
<td>Tacoma Mall Office Building - Public Works &amp; Utilities</td>
<td>23,480</td>
</tr>
<tr>
<td>Washington State Building - Department of Assigned Counsel</td>
<td>23,443</td>
</tr>
<tr>
<td>955 Building - Risk Management, Prosecuting Attorney</td>
<td>12,649</td>
</tr>
<tr>
<td>Columbia Bank Building - Facilities Management Admin.</td>
<td>4,830</td>
</tr>
<tr>
<td>Rust Building - Economic Development</td>
<td>2,689</td>
</tr>
</tbody>
</table>

Total Leased sf 148,993
<table>
<thead>
<tr>
<th>Department</th>
<th>Projected/Current</th>
<th>Reductions**</th>
<th>Baseline Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessor Treasurer*</td>
<td>25,732</td>
<td>5,732</td>
<td>20,000</td>
</tr>
<tr>
<td>Auditor*</td>
<td>39,984</td>
<td>4,984</td>
<td>35,000</td>
</tr>
<tr>
<td>Budget &amp; Finance</td>
<td>9,851</td>
<td>1,851</td>
<td>8,000</td>
</tr>
<tr>
<td>Board of Equalization (Clerk)</td>
<td>687</td>
<td>487</td>
<td>200</td>
</tr>
<tr>
<td>Community Connections (excluding WSU Ext.)</td>
<td>36,713</td>
<td>713</td>
<td>36,000</td>
</tr>
<tr>
<td>Council, Gov. Relations, &amp; Performance Audit</td>
<td>8,726</td>
<td>1,726</td>
<td>7,000</td>
</tr>
<tr>
<td>Economic Development</td>
<td>2,689</td>
<td>189</td>
<td>2,500</td>
</tr>
<tr>
<td>Executive &amp; Communications</td>
<td>4,370</td>
<td>70</td>
<td>4,300</td>
</tr>
<tr>
<td>Facilities Management Admin.</td>
<td>4,500</td>
<td>1,000</td>
<td>3,500</td>
</tr>
<tr>
<td>Human Resources Admin.</td>
<td>8,007</td>
<td>1,007</td>
<td>7,000</td>
</tr>
<tr>
<td>Information Technology*</td>
<td>35,051</td>
<td>10,051</td>
<td>25,000</td>
</tr>
<tr>
<td>Planning &amp; Land Services*</td>
<td>37,555</td>
<td>9,555</td>
<td>28,000</td>
</tr>
<tr>
<td>Public Works &amp; Utilities*</td>
<td>58,525</td>
<td>13,525</td>
<td>45,000</td>
</tr>
<tr>
<td>Risk Management</td>
<td>2,066</td>
<td>366</td>
<td>1,700</td>
</tr>
<tr>
<td>Health Department (not in current plan)</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td><strong>Total Square Footage</strong></td>
<td>274,456</td>
<td>51,256</td>
<td>223,200</td>
</tr>
</tbody>
</table>

**Square Footage Need and Reductions**

- This baseline is subject to adjustment based on further project development.
- Additional review with departments established a baseline total of 223,200 SF, which was used by the Committee in this analysis.
- Common-area reductions and efficiencies reduced the total by 51,256 SF.

* - Indicates data from Phase 1 and Phase 2 Master Plan. This programming was previously completed based on each department standing alone with no shared spaces and was based on ten years growth.

** - Reductions are conceptual based on sharing of common spaces such as lunch rooms, conference areas, reception areas, copiers and storage areas as described in this report. These shared areas have not yet been defined or quantified and will be completed as part of the next project phase.
Findings
Financial Analysis

Using a reasonable new building size for planning purposes, the cost of financing and construction delivery methods were analyzed against current costs.

63-20
Recommended Financing Option

The project delivery model known as 63-20 utilizes a public-private partnership that enables the use of tax-free bonds. Government agencies have been using this mechanism for more than 40 years to build administrative, research, student housing and other facilities around the country.

This system enables agencies to utilize the benefits of tax-exempt financing while maintaining governmental control of the facility and shifting construction and other risks to a private development team.

How it would work

<table>
<thead>
<tr>
<th>Partner</th>
<th>Role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pierce County</td>
<td>Land owner</td>
</tr>
<tr>
<td></td>
<td>Building lessee</td>
</tr>
<tr>
<td></td>
<td>Building owner at end of term</td>
</tr>
<tr>
<td>Nonprofit LLC</td>
<td>Project financing using tax-free bonds</td>
</tr>
<tr>
<td></td>
<td>Contracts with developer</td>
</tr>
<tr>
<td></td>
<td>Building owner during lease-to-own term</td>
</tr>
<tr>
<td>Developer TBD</td>
<td>Contracts for design &amp; construction</td>
</tr>
<tr>
<td></td>
<td>Responsible for cost overruns</td>
</tr>
<tr>
<td></td>
<td>Building manager</td>
</tr>
</tbody>
</table>
Findings
Financial Analysis

Current Baseline

Option 1 Status Quo:

In 2015, Pierce County estimates it will spend $4.62 million to operate existing facilities occupied by the affected departments.

- Rent: $3,173,975
- Operations & Maint.: $1,272,764
- Utilities: $180,249

Total: $4.62 million

Study Baseline:

- Center for Urban Waters: 223,200 sf
- GO Bonds: $400 per sf, $89.3 million
- 63-20 Financing: $300 per sf, $66.9 million
New Building Financing Options

**Option 2 New Building, GO Bonds:**

With traditional General Obligation bond financing over a 30-year term, a new office building would have an annual debt service payment of $4.96 million a year.

- Debt Service: $4,879,957
- Operations & Maint.: $1,907,093
- Utilities: $253,783
- Staff Savings: - $2,083,725

A longer bond term reduces annual debt. This method uses traditional design, bid, build construction and delivery, which adds process, time and costs.

<table>
<thead>
<tr>
<th>Bond Term</th>
<th>Est. Annual Cost</th>
<th>Annual Cost Breakpoint (Years)</th>
<th>Cumulative Cost Breakpoint (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-Years</td>
<td>$6,131,668</td>
<td>9</td>
<td>20</td>
</tr>
<tr>
<td>25-Years</td>
<td>$5,421,999</td>
<td>6</td>
<td>14</td>
</tr>
<tr>
<td>30-Years</td>
<td>$4,957,109</td>
<td>3</td>
<td>11</td>
</tr>
</tbody>
</table>

**Option 3 New Building, 63-20:**

Using 63-20 financing, Pierce County could open a new building in 2015.

**Key Findings of 63-20:**

- Positive cash flow in year 1 with either a 25-year or 30-year lease term.
- Financing costs include payments into a maintenance fund for capital improvements over the term.
- Entire development process in the private sector, reducing costs and shortening project delivery time.
- Cost per square foot under 63-20 financing are estimated at $300, compared to $400 per square foot under design/ bid/build using GO bonds.

<table>
<thead>
<tr>
<th>Lease Term</th>
<th>Est. Annual Cost</th>
<th>Annual Cost Breakpoint (Years)</th>
<th>Cumulative Cost Breakpoint (Years)</th>
</tr>
</thead>
<tbody>
<tr>
<td>20-Years</td>
<td>$5,149,020</td>
<td>4</td>
<td>8</td>
</tr>
<tr>
<td>25-Years</td>
<td>$4,616,869</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>30-Years</td>
<td>$4,271739</td>
<td>0</td>
<td>0</td>
</tr>
</tbody>
</table>
Findings

Service Delivery Analysis

The Committee researched how to consolidate services and functions under the consolidation of 21 departments in one facility.

Records

Departments divided the discussion around two areas of focus: records/archiving and public records requests.

Records archiving is ruled by law for some departments including but not limited to the Auditor, Assessor/Treasurer, and Budget & Finance. Currently, records are archived and stored in a variety of locations within each department and also at a central location at the building known as Annex West. Storing records within office space is an expensive use of space designed for people-centered processes and work.

Storage requirements directly related to the office functions is appropriate in an office building.

However, longer-term storage would be more cost effective in a well located storage building or designed space. Some specific requirements (chain of possession) rule some storage location decisions.

Public records requests also have judicial requirements. Several departments saw potential opportunities for a centralized model for county resources in this function area. A Public Records designated division could provide an opportunity for subject matter experts in legal requirements, best practices for storage and searching of data, and technology tools to come together into a standardized, consistent and predictable process.

Reception

Departments reported on their current use - some not having this function within their department at all while other departments fractionalize their office assistants to provide rotational coverage.

Improved way-finding was discussed as a needed resource, regardless of whether this project moves forward. Current dispersed and decentralized locations of county programs inhibit centralizing receptionist work functions.

Departments identified a definite opportunity for improved efficiency and economy that provides better customer service with a shared reception model achieved from centralizing programs onto one campus or into one facility.
Additional discussion raised interest in evolving reception into a defined concierge model.

Definition of concierge model: landlord representative, multilingual hotel staff member responsible for customer services, gatekeeper/security at public buildings. (Example – Bill and Melinda Gates Foundation 1st floor receiving/reception area)

There was strong consensus that a centralized first floor receptionist/guide would be an asset providing minimal triaging to make sure the customers are directed to the right person and department. In a large building concept, this person would have general knowledge of all the building tenants’ function areas and would be able to provide way-finding / general assistance as well as security.

**Accounting**

There was consensus by Department Directors that a centralized model for accounting would require good communication, service level agreements, cross-training, and coordination to be successful.

Some departments do not utilize grants and/or require grant accounting management. For those that do, it was generally agreed that training would be required to understand the unique reporting requirements for the variety of grants received. Community Connections is a heavy user of grant monies - both directly and pass through - and has significant responsibilities monitoring sub-recipients. Departments discussed the opportunity to share this service; and having the heavy user (if capacity available) be the facilitator of that function area (including compliance verification – see Contract Compliance below).

Efficiencies could be achieved through the consolidation of fiscal services and, when appropriate, the standardization of business practices. Sharing some cash handling functions and the co-location of Budget & Finance staff with departments’ budget and fiscal staff are potential opportunities.

Another area discussed was a centralized model for seeking grants.

**Contract / Purchasing / Compliance**

Departments did not generally see an opportunity to share contracts and/or purchasing functions. However, while discussing contract compliance, there were stated areas of commonality that if researched further could potentially offer opportunities for shared service.

**Contract / Purchasing** - Most departments complete these functions with fractionalized FTEs. A “general store” concept was discussed for most general office supplies, with specific needs still needing to be ordered by the department directly. Management of a centralized general store concept would need further research and analysis, but it is believed savings could be gained. There is benefit to maintaining common vendors to purchase supplies and centralized storage of larger supplies such as paper reams and toner/cartridges depending on the uniformity of cross departmental equipment.

**Contract Compliance** appears to be more of a routine function that could be centralized. Someone with expertise in reading contracts/grants/fund compliance could review and assess whether stated requirements within a contract/grant/fund are being met and advise as appropriate across many department service areas.
Fiscal / Budgeting

Departments see potential for efficiencies with a co-located format for easier access to the subject matter experts (Budget & Finance staff).

Further evaluation is warranted to study potential benefits of having dedicated services provided through a centralized administrative structure, with resources dedicated to support individual departments. Directors interviewed saw limited opportunities to share these functional areas across several departments as they are specific to each.

The DOLFIN system has already achieved efficiencies with processing contract approvals and signatures between the various departments. There may be an opportunity to gain some additional efficiency with a centralized program service delivery model. In addition, the Budget & Finance Department is looking at a system upgrade/new system to achieve further efficiencies and savings.

IT / GIS

This functional area was identified as having the greatest opportunity for sharing/FTE saving by most of the departments who have FTEs dedicated to this program area within their department staff. The one exception to the shared IT staff model is the Auditor, who is required to keep direct oversight security for voter registration/redistricting models.

Information Technology, Public Works & Utilities, Planning & Land Services, and the Assessor/Treasurer's Office all have elements of required work in this area. All stated they believe there are opportunities for gained efficiency and gained economies if this function area was shared. Coordination and communication would be key to this success, but all would like to work toward that end.

Cash Handling

Initially, this function appeared to be an area of huge opportunity for gained efficiency and economy.

With further discussion, the law seems to limit how these functions are carried out. Yet once payments are made (i.e. cash is received), there are opportunities for consolidation of back office functions, such as vault and armored car services. In addition, cashier staff could be trained to provide backup when someone is on leave or when a department has seasonal increases in activities.

The Auditor, Assessor/Treasurer, Budget & Finance, Planning & Land Services and Public Works & Utilities all have elements of this functional area within their departments - with the greatest workload in the Auditor's office. There are RCWs/WACs/County Codes that govern most if not all of these actions. Separation of cash drawers is required in most fund areas within the Auditor's office. With an analysis of capacity, there may be opportunity for some shared cash handling functions; to be completed within the Auditor's office realm of responsibility as they have the greatest working experience of those rules and regulations. Most departments have developed a system of fractional FTEs who serve as back-up for the front line staff to assist with the ebb and flow of customer volume which can predictably occur by:

- Hour of the day – early morning, lunch hour, last hour of the day
- Day of the week – i.e.: pay cycles
- Day of the month – i.e.: license tabs
- Month of the year – i.e.: taxes

Further research into the processes for online payments e-signatures (where could the County expand this service?) may provide opportunities for efficiency.

Further analysis is also necessary regarding the new law that allows an agency to place a fee on an online payment transaction completed by a customer using a credit card.

Developing more online interactive document capabilities was also discussed.

Travel

Each department reported on this function area differently; some identified vehicle reimbursement costs for the year, while others calculated cost associated with staff moving from one facility to another.

Most departments identified marginal savings in this area. However, Information Technology - whose staff travels daily from building site to building site noted a full FTE savings per year if this consolidated campus model was developed. Traveling from floor to floor rather than across the city yields significantly
reduced travel costs for both vehicle expense and lost production time.

Parking

In a consolidated facility, customers can park one time to access several county offices for service. A new facility will take advantage of the latest technology in energy saving and improved lighting, traffic flow and meet CPTED (crime prevention through environmental design) standards and ADA (America Disability Act) requirements for parking lots. The proposed site would accommodate ample parking space for both customers and staff. It is also proposed that parking at the new facility would be free to visitors.

Security

The current security structure in the County-City Building is primarily for the Law and Justice Services business occurring on a variety of building floors. The proposed new building would not include Law and Justice services. Constituents wishing to speak to their Council representative or conduct official business would no longer be required to pass through the security screening.

Inter-department Operations

Product Service Center

This concept could range from a single “Kinkos”-type copy center to a floor-by-floor plan depending on final departmental floor-by-floor needs and location. The conclusion was there is a potential for cost savings when departments share the cost of large equipment purchases. The technology is available to easily identify and allocate proportionate costs based on usage. There is the potential for FTE savings with a centralized scanning and large project copy center. However, there were contrasting concerns that overlapping priority projects, security of documents (chain of custody and confidentiality) and location of the service center in relation to each department’s administrative staff may offset potential gained efficiencies.

Efforts to economize and improve efficiencies in purchases, and in sharing a copy center or floor-by-floor approach needs more review and should be strongly considered in the final layout before proceeding or eliminating. Further study and analysis about how the Gates Foundation integrates identification badge system into their copy centers is warranted.

Customer Service Help Center/KIOSK

The Customer Self Help Center would take the place of the many kiosk/self help centers located within each department’s lobby. The self-help center would consist primarily of specialized staff to help navigate the county web pages and answer questions. This center would expedite service for the building’s customers and enable them to obtain information or find required forms without waiting in the lobby of any department. This center can also serve as a triage for departments to better prepare the customers for technical service. The concept deserves more discussion as a final determination was not reached.

Meeting Rooms

The team studied meetings scheduled throughout Planning & Land Services, Auditor, Assessor-Treasurer, Executive, and most Public Works & Utilities offices for all of 2012. The conclusion is conference rooms are under utilized. There is a definite need (varies by department) for quick access and turnover of meeting rooms for handle 6-10 people (defined as a small meeting room). The most popular rooms were those handling 10-20 people (defined as mid-size meeting room) and were frequently available on short notice; could be scheduled the day of the meeting. The elimination of approximately 20% of small- to mid-size meeting room space currently available does not have negative impact to a point where staff could not count on meeting space or result in back-ups waiting for a room to clear, but would require a change in business practice for scheduling. These types of meeting room spaces would need to be relatively fixed, not count on flexible walls and furniture moving between meetings as they are often scheduled for back-to-back meetings.

There is also substantial opportunity for square foot space savings by implementing a more efficient floor plan regarding larger meeting rooms (defined as holding more than 30 people).
Such examples are visible at King and Snohomish counties, where they have flexible space on the first floor to handle larger public meetings and staff meetings, but also have the ability to be divided into two or more spaces for smaller training or public sessions. In addition, they have a Council meeting room on a different floor that can be used for the average sized public meetings. These spaces could be shared with the Planning Commission, Hearing Examiner, and other such formal meetings.

Training Center (rooms) would also be fixed – dedicated space equipped to provide employee trainings and would require a change in business practice to accommodate scheduling by several departments for a variety of needs. Additionally, this would serve as the Elections “call center” during large elections.

**Break Rooms**

While there was a general preference for a large “employee only” break room rather than a large public/employee cafeteria break room, either is an acceptable model and would save expense in construction of what is considered some of the most expensive construction cost per square foot. A common break room could have the same collaborative and interactive benefit that the Gates Foundation was striving for with their common areas and the design that diverted/directed people to pass through areas where they would see and meet each other.

Small coffee bars and refrigerator/microwave areas could still be incorporated on a per floor area much like the Gates Foundation layout.

**Mail Distribution Center**

A Mail Distribution Center would include staff for picking up routing and general mail items and distribution of routing throughout the building. Currently, each department that participated on this committee has staff providing some functions of sorting or distributing mail and routing. This specific function was added as the benefits were apparent and the costs minimal. The timeliness of the transfer of information directly relates to the ability of each department to complete normal functions.
Findings

Location Analysis

Background

Driven by the expectation that we meet the needs of 800,000+ residents, the Committee based its research on three requirements:

- Ample parking for customers and staff
- Easy freeway/roadway access
- Access to public transit
- Future development and expansion

The Committee reviewed previous research and proposals to bring county programs together on a campus or in one building. The research also included a review of county land holdings, existing leases and possible purchase of existing buildings. The Committee also contemplated the addition of other programs into the analysis, including the Tacoma-Pierce County Health Department.

Analysis Summary

The Committee found quantifiable efficiencies and cost savings if general government programs are consolidated into one building. The examination of county land holdings led the Committee to recommend siting a new building on the former Puget Sound Hospital property.

Location Site Overview

Puget Sound Hospital Property
3580 Pacific Ave. Tacoma, WA 98418

A total of 13.29 acres is in county ownership, providing ample land for development, expansion and parking. The former hospital buildings have been cold-shuttered and need to be demolished. The site is on a main bus line with easy proximity to Interstate 5 and Sound Transit’s rail systems. It is on the same property as the independent Tacoma-Pierce County Health Department and across the street from the Pierce County Medical Examiner. Retention of the county-owned Soundview Building provides a benefit not otherwise available if located at an alternate site.

Area Impacts

The local business district would see a significant economic boost by the addition of 900+ employees. While remaining in the county seat as required by law, this location provides a respectful presence to citizens who live in other parts of Pierce County and greater ease than downtown for those citizens and visitors to access general government services in a one-stop building.
## Findings

### Relocation Analysis

<table>
<thead>
<tr>
<th>Affected Department</th>
<th>From Current Location</th>
<th>Current Ownership</th>
<th>To New Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Assessor Treasurer</td>
<td>Annex</td>
<td>Owned</td>
<td>New Building</td>
</tr>
<tr>
<td>Auditor</td>
<td>Annex/Annex West</td>
<td>Owned</td>
<td>New Building</td>
</tr>
<tr>
<td>Budget &amp; Finance</td>
<td>Merit</td>
<td>Owned/Leased</td>
<td>New Building</td>
</tr>
<tr>
<td>BoE (Clerk)</td>
<td>Annex</td>
<td>Owned</td>
<td>New Building</td>
</tr>
<tr>
<td>Communications</td>
<td>CCB</td>
<td>Owned</td>
<td>New Building</td>
</tr>
<tr>
<td>Community Connections</td>
<td>1305/Soundview</td>
<td>Owned/Leased</td>
<td>New Building</td>
</tr>
<tr>
<td>Council</td>
<td>CCB</td>
<td>Owned</td>
<td>New Building</td>
</tr>
<tr>
<td>Economic Development</td>
<td>Rust</td>
<td>Leased</td>
<td>New Building</td>
</tr>
<tr>
<td>Executive</td>
<td>CCB</td>
<td>Owned</td>
<td>New Building</td>
</tr>
<tr>
<td>Facilities Management</td>
<td>CBB</td>
<td>Leased</td>
<td>New Building</td>
</tr>
<tr>
<td>Government Relations</td>
<td>CCB</td>
<td>Owned</td>
<td>New Building</td>
</tr>
</tbody>
</table>
The diagram illustrates the relocation of various departments from their current locations to the new county office building. The affected departments and their details are as follows:

**Affected Department** | **From Current Location** | **Current Ownership** | **To New Location**
--- | --- | --- | ---
12 Human Resources | Merit/901 | Owned/Leased | New Building
13 Information Technology | Merit/CCB/950 | Owned/Leased | New Building
14 PALS | Annex | Owned | New Building
15 PW&U | Annex/TMP/TMOB | Owned | New Building
16 Risk Management | 955 | Owned/Leased | New Building
17 Clerk (Storage) | 950 | Leased | New Building
18 Dept. Assigned Council | Rhodes | Owned | New Building
19 DEM (Radio) | 112th Street | Leased | Annex West
20 District Court | 901 | Owned | CCB
21 PA (Civil/FS) | 955/950 | Owned/Leased | CCB/901

In addition to the new building, there are buildings available for sale, and leases are terminated in the vacated space.
Study

Conclusion

The current, decentralized model of scattering county offices in leased and owned facilities throughout Tacoma restricts collaboration, efficiencies and service delivery. Further, the Annex is in need of costly renovation and upgrades. Consolidating general government departments in one location provides quantifiable opportunities to improve the delivery of services and reduce costs. The Committee conservatively estimates consolidation would result in a 2% reduction in loaded staffing costs (20 FTEs). These savings are calculated at $2 million in just the first year of occupancy and would compound over time.

The 63-20 construction delivery model costs approximately $100 per square foot less than traditional General Obligation bond financing. It maximizes the benefits of public and private involvement – tax-free financing and private development expertise – to deliver a facility that supports the community and mission.

The Committee identified additional functions that could be explored for further efficiencies and savings. Examples that could benefit from further study include armored car service, copy machines, reception, break rooms, storage and scanning, conferencing, and cash handling/vault.

For more information

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